Increase in Poppy Cultivation

*352. SHRI A. G. KULKARNI: Will the Minister of FINANCE be pleased to state:

(a) whether there is an increase in Poppy cultivation in the country as per the report of Directorate of Revenue Intelligence and the Narcotics Control Bureau, and if so, the States in which such cultivation has increased during the last years; and

(b) what steps Government propose to take to reduce such cultivation and also to take stringent action against those connected with the trade in Narcotics produced in India?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) and (b) The area under illcit poppy cultivation has been gradually reduced from 35,406 hectares in 1981-82 to 24,361 hectares in 1985-86. However, there have been reports of some illicit poppy cultivation in the Chakrata Tehsil of Dehra Dun district of Uttar Pradesh and in Tirap district of Arunachal Pradesh. The matter has been taken up with the concerned State Governments for appropriate action.

Like other drug-trafficking offences, illicit cultivation of poppy has also been made liable to deterrent punishments for a minimum period of ten years' rigorous imprisonment extendable to twenty years and a fine of Rs. 1 lakh which may extend to Rs. 2 lakhs or more. The enforcement agencies also remain alert to detect illicit cultivation of poppy, etc.

Withdrawal of Funds against Demand drafts

*353. SHRI CHIMANBHAI MEHTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that nationalised banks do not permit the withdrawal of funds against the demand drafts on other bank's branches and wait for the normal procedure of clearing;

(b) whether any credit squeese directive has been given by the Reserve Bank of India to the commercial banks; if so, what are the reasons therefor;

(c) whether allowing the withdrawal of funds against the demand drafts/pay orders before clearing amounts to extending of credit, and whether the banks can charge interest on such withdrawals; if so, the details thereof;

(d) whether allowing immediate withdrawal against pay orders demand drafts of other banks amounts to violation of the credit squeeze directive; and

(e) whether Government propose to issue any fresh directive in this regard with a view to redress the genuine grievances of small clients and account holders and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (e) The Credit Policy of the Reserve Bank of India seeks to regulate expansion of credit consistent with the requirements of the economy so that while all genuine credit needs of production and for movement of goods are adequately met, bank credit is not utilised for hoarding or speculative purposes. Extension of credit facilities by banks takes place in various forms, including purchase of cheques/drafts and other negotiable instruments by releasing their proceeds before actual realisation from the banks/parties on which they are drawn. Banks can extend this facility to their customers a part of the credit assistance and charge interest for the same at appropriate rates. Extension of this facility without charging interest is violative of the Reserve Bank's directives on interest rates. However,